

ASCOR



Grantham
Research Institute
on Climate Change
and the Environment

Assessing Sovereign Climate-related Opportunities and Risks (ASCOR) Explainer Series

Area CP 6. Just transition

Giorgia Monsignori, Analyst
Transition Pathway Initiative Centre
London School of Economics and Political Science



ASCOR framework

Emissions Pathways (EP)	Climate Policies (CP)	Climate Finance (CF)
EP1. Emissions trends EP2. 2030 targets EP3. Net zero targets	CP1. Climate legislation CP2. Carbon pricing CP3. Fossil fuels CP4. Sectoral transitions CP5. Adaptation CP6. Just transition	CF1. International climate finance CF2. Climate costing CF3. Climate spending CF4. Renewable opportunities

Note: [ASCOR framework: methodology note - Version 1.1](#) was used to assess 70 countries in 2024.

Content

1. Introduction to just transition policy
2. How does ASCOR assess just transition policy?
3. Results and emerging good practices

1. Introduction to just transition policy

What is the just transition?



The **just transition** first emerged as a **labour-focused** concept to manage the benefits and impacts of environmental action on workers. It has since expanded to address various **social dimensions of inequality, vulnerability, justice and opportunity**.



Encouraging **green skills and jobs** with decent work conditions will help to meet the labour market demands of the transition.



Countries can manage the social risks and opportunities of the low-carbon transition by developing **institutional capacity for an inclusive decision-making** that addresses the specific needs of workers and communities affected by decarbonisation.



Addressing **historical injustices** (such as responsibility for greenhouse gas emissions), **human rights violations** and **loss and damage from climate change** impacts are key elements of the just transition.

Why does ASCOR assess just transition policy?



We assess how countries are **managing the social impacts of the transition** as this can help build public support and prevent costly delays in the low-carbon transition.



The [Paris Agreement](#) calls for a **just transition of the workforce** and the creation of decent work.



Investor priorities include upholding labour and human rights in line with broader sustainability commitments and **building the social and human capital needed for the transition.**



Just transition policies **align with fairness**, one of ASCOR's main design principles.

2. How does ASCOR assess just transition policy?

Indicators and metrics



CP6a. Has the country ratified fundamental human, labour and Indigenous rights conventions?

CP6ai. At what percentile is the country's Voice and Accountability estimate?



CP6b. Does the country have an inclusive and institutionalised approach on just transition?



CP6c. Does the country have a green jobs strategy?



CP6d. Does the country integrate just transition into its carbon pricing?

How does ASCOR assess just transition?



Our analysis assesses national action to integrate just transition principles into climate policymaking.



ASCOR assesses the scope of participation and inclusion of affected stakeholders in climate policies through engagement strategies and consultation processes.



To align with the principle of common but differentiated responsibilities, low-income countries are exempt from integrating just transition into their carbon pricing (as they are exempt from the carbon pricing area).



When assessing this area, we rely on legislative and executive documents, UNFCCC submissions, [UN data](#), and [ILO data](#). We use [World Bank data](#) for the quantitative metric.

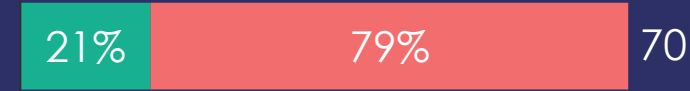
3. Results and emerging good practices

2024 assessment results

CP 6.a Has the country ratified fundamental human, labour and Indigenous rights conventions?



CP 6.b Does the country have an inclusive and institutionalised approach on just transition?



CP 6.c Does the country have a green jobs strategy?



CP 6.d Does the country integrate just transition into its carbon pricing?



Yes No

Note: The number of countries assessed against each indicator is specified next to each bar.

Emerging good practices



An inclusive just transition approach can be institutionalised in a dedicated just transition **commission**.

- **Spain's** ITJ Advisory Board coordinates and monitors the implementation of the country's [Just Transition Strategy](#) through stakeholder participation at all phases.



Green job strategies allow countries to seize opportunities and address transition risks for the **workforce**.

- **Austria's** [Just Transition Action Plan](#) on Training and Reskilling sets short-, medium- and long-term actions.



Potential regressive impacts of carbon pricing can be addressed through **targeted support** mechanisms.

- The **EU Emissions Trading Scheme** allocates some revenues to the [Social Climate Fund](#) to support vulnerable households who may face higher energy costs.

Stay up to date on the ASCOR project:

www.ascorproject.org

Access the ASCOR tool and database:

www.transitionpathwayinitiative.org/ascor

Contact:

gri.ascor@lse.ac.uk

Disclaimer

Assessing Sovereign Climate-related Opportunities and Risks (hereinafter referred to as “ASCOR”) is an investor-led project to develop a publicly available, independent tool that assesses countries on climate change. The Transition Pathway Initiative Centre (“TPI Centre”) at the London School of Economics and Political Science (“LSE”) is the ASCOR academic partner.

The ASCOR framework is for illustrative research education purposes only. The ASCOR or any related material hosted on the website does not constitute any advice (including investment, legal, accounting or tax advice) or an investment instrument. The LSE, TPI Centre and ASCOR supporting partners are not responsible for the content of the website and information resources that may be referenced herein, including any third-party sources. The access provided to these sites and the provision of such resources do not constitute an endorsement by the LSE, the TPI Centre, ASCOR or its partners of the information contained therein and of the resulting sovereign assessments. Unauthorised use of the materials published herein is strictly prohibited. The LSE, TPI Centre and ASCOR does not accept any responsibility for any prohibited, restricted or unauthorised use of the materials published herein. All liability in this respect is excluded. Additionally, ASCOR, TPI Centre, the LSE and its partners are not responsible for any errors or omissions, for any decision made or action taken based on information on this website, or for any loss or damage arising from or caused by such decision or action. All information is provided “as-is” with no guarantee of completeness, accuracy or timeliness, or of the results obtained from the use of this information, and without warranty of any kind, expressed or implied.

ASCOR and its partners do not require or seek collective decision making or action with respect to acquiring, holding or selling sovereign debt instruments. Any such decision shall be solely based on investors' discretion and made in their individual organisation's capacities and in accordance with their industry practice(s). This means that users of the information provided by ASCOR are responsible for their own investment analysis and decisions and must always act completely independently to set their own strategies, policies and practices based on their own best interests and commercial interests.

Furthermore, the use of ASCOR information for engagement tools and tactics with sovereigns (whether bi-laterally or collaboratively) is at the discretion of individual investors. Even the exchange of information in the context of collaboration can give the appearance of a potentially unlawful agreement; it is important to avoid exchanging information that might result in, or appear to result in, a breach of corporate or competition law. Investors must avoid coordination of strategic behaviour between competitors that impacts or is likely to impact competition.

During such engagements, investors may not claim to represent ASCOR and its partners, including the TPI Centre, the LSE that in consultation with ASCOR investor partners, curated the development of the ASCOR framework and of the indicators to assess transparently the progress made by governments in managing the low-carbon transition and the impacts of climate change.

Notwithstanding any terms and conditions set out herein, the ASCOR data:

- Is licenced for internal and non-commercial purposes only, including for research, as one of the inputs to inform portfolio construction, for financial decision-making including cases of lending and underwriting, for engagement and client reporting, for use in proprietary models as part of climate transition analysis and active investment management (subject to exclusions noted above)
- Subject to prior written consent, may be used for further commercial exploitation through redistribution, derived data creation, analytics, and index or fund creation (inclusive of where the index is used as the basis for the creation of a financial product, or where ASCOR data is a key constituent of a fund's construction).

Notwithstanding any other provision set out herein, none of the ASCOR data or information published on this website may be reproduced or made available by you to any other person except that you may reproduce an insubstantial amount of the ASCOR data or information for the uses permitted above. The ASCOR data and information may not be used in any way other than as permitted above. If you would like to use any such data or information in a manner that is not permitted above, you will need the LSE TPI Centre's prior written permission. In this regard, please email all enquiries to: gri.ascor@lse.ac.uk.